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THE USE OF COTTON BAGS AS CONSUMER PACKAGES FOR POTATOES

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"A Partial List of Uses of American Raw Cotton,"

"Cotton Bags in the Wholesale Grocery Trade,"

"Farm Uses for Cotton and Its Products,"

"Cotton Bagging for Cotton,"

"Domestic Mill Consumption of American Cotton by Grades and Staples,"

"Cotton Bags in the Fertilizer Industry,"

"Cotton Bags and Other Containers in the Wholesale Grocery Trade,"

"Quality of the Cotton Spun in the United States (Year ending July 31, 1928)."

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THE USE OF COTTON BAGS AS CONSUMER PACKAGES FOR POTATOES

By J. W. Park, Associate Marketing Specialist,
Division of Fruits and Vegetables

Along with the development of standardization in merchandising food products, there has been an increased use of the small package to carry the product to the consumer. Such staple groceries as breakfast foods, coffee, sugar and molasses are now mostly sold in closed consumer packages.

The idea of merchandising potatoes in small cotton bags has been tried in recent years, and during the last season there has been a large increase in the use of this method in packing Idaho potatoes. This practice is of general interest to the fruit and vegetable industry, bag manufacturers and others. In order to determine the extent to which potatoes are packaged in small bags and the opinion of the trade in regard to this practice, a survey was made by the Bureau of Agricultural Economics in March and April 1929. Local representatives of the Division of Fruits and Vegetables of the Bureau interviewed wholesalers, jobbers and retailers in important markets and shippers in the late-crop potato producing sections in regard to the use of small cotton bags in merchandising potatoes during the 1928-1929 season. The opinions and estimates of the wholesale and retail trade as obtained through these interviews are summarized in this report.

Idaho Principal State Shipping in Small Bags.

In Idaho there has been a large increase in the use of small bags in packing potatoes during the 1928-1929 season. To the middle of March it was estimated that about 700 cars of potatoes packed in small bags were shipped from this State, which would amount to over 5 per cent of the total Idaho shipments to that date.

Only a few scattering shipments in small bags were reported from Montana, Washington, Michigan and Prince Edward Island, Canada. There has been a considerable quantity of potatoes shipped in cartons. For example, Maine shipped from 50 to 75 cars in 15 pound cartons. Some Idaho potatoes of the large sizes for baking purposes have been packed in cartons or boxes.

Sizes of Bags and Grade and Size of Potato Used.

Various sizes of small bags have been tried, including the 15-lb., 20-lb., 25-lb. and 50-lb. sizes. Both cotton and burlap have been used. Most of the Idaho small bag shipments have been in 25-lb. cotton bags. In the markets some dealers believe a 15-lb. bag would be more desirable. The cost of packing, however, would be greater. On the whole the 25-lb. bag seems to be a desirable size. In Idaho both the Russet Burbank and Idaho Rural varieties were packed in small bags. It is generally agreed by dealers that potatoes for packing in this manner should be U. S. No. 1 grade or better. One practice was to sort out the large baking potatoes weighing 12 ounces or more and to pack the medium sizes in 25-lb. cotton bags. The trade in general prefers 6 to 10 ounce sizes for this package, and states that the larger potatoes do not pack well in small bags.

Distrubution of Small Bag Shipments.

In most of the markets the number of cars of potatoes received in small bags was less than one per cent of the total number of car-lot receipts. Some small bag receipts were reported in practically all large northern markets from the Atlantic to the Pacific Coasts. In the southern markets, however, only a few experimental shipments in this type of package were received.

Most Small Bag Stock Packed at Shipping Point.

The great majority of potatoes sold in small bags were packed in this container at shipping point, although there has been some repacking at city markets particularly on the Pacific Coast. Arguments advanced in favor of packing at shipping point rather than at destination are: that it eliminates extra handling, saves expense including cost of original large sack, and that closer grading at shipping point results.

Arguments in favor of repacking at destination are: that a high quality pack is assured because inferior stock including that which may have deteriorated in transit can be sorted out; there is no soiling of cotton bags in transit; danger of damage from shifting of loads of small bags is removed, although very little difficulty in this respect was reported at receiving markets.

Loading.

No uniform method of loading is practiced, although most Idaho shippers loaded so as to give a clearance of about 6 inches on each side of the car; the load is tied by arrangement of bags and after 5 or 6 layers are in place is rounded off. Car loads of 1400 or 1440, 25-lb. bags of Idaho stock and 1600, 25-lb. bags of Montana stock have been reported.

Price.

The usual differential in car-lot price between Idaho potatoes in 100 or 120-lb. burlap sacks and those in 25-lb. cotton bags in the 1928-1929 season was reported as 25 cents per cwt; the small bags selling at the higher price.

In Idaho the 100 or 120-lb. burlap sacks cost around 11 or 12 cents each, whereas the 25-lb. cotton bags cost 5 to 6 cent each. The extra labor in packing the small bags amounted to 5 to 10 cents per cwt. However, in comparing returns for potatoes in these two types of packages it should be kept in mind that the potatoes packed in small bags probably averaged a little higher in grade than those packed in large sacks.

The 25-lb. bags have been reported from different cities as retailing at from 10 to 25 per cent more than the same quantity in bulk. In some instances the small bags have been used as leaders and the differential in retail price has been less than 10 per cent.

Trades' Opinions on Use of Small Bags.

There is a division of opinion among wholesalers, jobbers and chain store operators as to the merits of merchandizing potatoes in small bags.

Some believe that this will be the principal type of package for marketing potatoes; others disagree with this opinion.

The principal reasons advanced by the wholesale and retail trade in favor of packing potatoes in small bags are: that it is more convenient to handle the potatoes; that the small bag, especially when neatly branded is an attractive consumer package and has advertising value; that potatoes packed in this way must be better graded than when packed in large sacks; that there will be no loss to the retailer due to a certain percentage of low grade stock remaining in the bins as is often the case when the bulk method of retailing is used; that the use of a standardized consumer package for potatoes is in line with the general movement toward merchandizing in standardized consumer packages.

Arguments against the use of the small bag are: that many consumers prefer to see the potatoes before buying them; that it adds to the cost; that white cotton bags may become soiled and unattractive in appearance; that deterioration occuring after packing due to freezing, sprouting or other causes would result in a reaction by consumers against this type of package; that there would be a tendency for shippers to lower the quality of the small bag pack, after it had come into general use; that the season during which this package could be used in shipping potatoes would be limited because of danger of damage from heating in the early fall and from sprouting in the spring.

Most dealers agree that if the small bag pack is to meet with success the grade of potatoes used must be better than the average of potatoes sold in large sacks or bulk. Potato prices have been low during the 1928-1929 season during which time there has been a considerable increase in the use of the small cotton bag as a consumer package. It is conjectural as to what effect, if any, a higher price level for potatoes would have on the use of the small bag.

The Use of the Small Cotton Bag in certain Cities 1928-29 Season.

North Atlantic Region.

BOSTON, MASS. A few cars in 15-lb. cloth bags were received from Prince Edward Island. The potatoes were mostly of medium size and better than U. S. No. 1 grade. The best outlet was through the high-class grocery stores.

SPRINGFIELD, MASS. Three or four cars were received in small bags during the last year. Some were in 10-lb. burlap bags and were supposed to be Maine potatoes. Only one dealer favored the use of the small bag. He had found the 10-lb. bag most popular with his trade. The chain stores have not used this package and do not favor its use.

PROVIDENCE, R. I. and NEW HAVEN, CONN. No small cotton bags as containers for potatoes were reported in these markets during the last season.

NEW YORK, N. Y. Probably more than 100 cars of potatoes in small cotton bags were received direct from producing areas by New York chain stores this season. They were mostly from Idaho although a few cars were from Prince Edward Island. The wholesale and jobbing trade received only a few small bag shipments from Idaho. These were mostly in mixed cars with boxed potatoes and not a very

limited demand. The greater part of the New York receipts were in 25-lb. bags although there were some 15-lb. bags. The general preference is for potatoes of 3 to 11 ounces in size and of U. S. No. 1 grade or better. Some chain store operators think the use of the small bag will increase in New York. Independent retailers in this city have not used this package to any extent. Cartons have been used to a considerable extent in merchandising potatoes in New York.

BUFFALO, N. Y. One car of Michigan potatoes in 15-lb. bags and some shipments of Idaho potatoes in 25-lb. and 50-lb. bags were received. The Michigan potatoes were firm, clean, medium sized and met all requirements of U. S. No. 1 grade. They were described by shipper as "selected Michigan potatoes, U. S. No. 1". The Buffalo chain stores did not handle the Michigan potatoes as it is their practice to keep the cost as low as possible and to feature potatoes as a leader selling them slightly above cost. The retailers who purchased these potatoes considered it an experiment and there was little interest in obtaining additional supplies in this package.

NEWARK, N. J. No sales of potatoes in small bags were reported in Newark.

TRENTON, N. J. Only a few 25-lb. bags of Idaho potatoes were received in Trenton.

PHILADELPHIA, PA. About 20 cars of Idaho potatoes in small bags were reported. These were mostly in 25-lb. bags. The class of stock preferred for sale in small bags in Philadelphia is uniformly graded medium to large sized potatoes of better grade than U. S. No. 1. Most of the small bag shipments have been handled through chain stores and wholesalers and jobbers who handled them found a limited outlet.

HARRISBURG, PA. No small bag receipts were reported.

WILKES-BARRE, PA. The small cotton bag was not used in Wilkes-Barre or Scranton.

PITTSBURGH, PA. Only a few small bag shipments in cars with other containers were reported on the Pittsburgh market. These were in 25-lb. bags. The demand for the small bag type of package was very slow. In general, it is not popular with Pittsburgh retailers.

North Central Region.

CLEVELAND, OHIO. About 15 full car loads of potatoes in small sacks and approximately an equal number of cars containing both small and large sacks were received. These receipts were all from Idaho and were mostly in 25-lb. bags although there were some of the 15-lb. size. Both cotton and burlap bags were used. There was some preference for the cotton bags because of appearance. The preference was for medium to large sized stock, fairly clean and of U. S. No. 1 grade. The only varieties in these shipments were Russet Burbanks and Idaho Rurals. The wholesale and jobbing trade seem to favor the 25-lb. sacks because they are easy to handle, make a good appearance and because the potatoes are generally better graded than those in larger size sacks. However, the chain stores in general prefer the regular large sized sacks for potatoes as the use of these enables them to sell at a lower price than would be possible if small bags were used.

TOLEDO, OHIO. Five cars of Idaho baking potatoes in small bags were received in Toledo. They were all handled by chain stores and were reported to have moved well and were favorably received by the public. Jobbers and wholesalers have not been induced to handle these small bags of potatoes.

CINCINNATI, OHIO. About 5 per cent of the Idaho potatoes received in Cincinnati this season were in small cotton bags. These were Russets of U. S. No. 1 grade. Dealers think the popularity of the small bag will increase. Both chain and independent retailers favor it as easy to handle for both dealer and consumer.

COLUMBUS, OHIO. There was a limited quantity of Idaho baking potatoes sold in 10 and 15-lb. bags.

DETROIT, MICH. About 35 to 40 cars of Idaho potatoes in small bags (25-lb. size) were used in Detroit this season. The opinion of the majority of the trade was that for this type of package, stock should be better than U. S. No. 1 grade and about 7 to 12 ounces in weight. The wholesale and jobbing trade in general was somewhat doubtful about the success of this package with Michigan, Wisconsin or Minnesota stock, as they believed farmers would be left with the poorer stock on their hands if the better quality were used to pack in small bags. Some chain store operators thought there was a good market for selected stock of uniform size, but that there was a tendency for the small bag receipts to be of poorer quality toward the end of the season with a consequent slackening of demand.

INDIANAPOLIS, IND. About 3 cars of Idaho Russet Burbanks in 25-lb. bags were received. These were selected bakers. The general opinion of the trade is that good table stock put up in 15 or 25-lb. sacks would be desirable.

CHICAGO, ILL. About 50 cars in small bags were received. The bags varied in capacity from 10-lbs. to 50-lbs. Practically all were from Idaho and they were mostly Russet Burbanks. The consensus of opinion in the trade is that potatoes packed in small bags should be better than U. S. No. 1 grade. There is a division of opinion as to what the trend will be in regard to the use of small bags. Some chain store operators and up-to-date independent retailers like the idea and think the 25-lb. bag is a popular size and will meet the housewife demand, but the small retail grocers show a decided preference for the old method of handling potatoes.

MILWAUKEE, WIS. A number of cars of Idaho Russet potatoes in neatly branded 25-lb. cotton bags were sold on the Milwaukee market this season. Both the 25-lb. and 50-lb. bags are growing in popularity although cotton bags were used only for the 25-lb. size. Both the wholesale and retail trade think the use of small bags will have a tendency to increase quantity sales.

MINNEAPOLIS, MINN. About 10 cars of Montana potatoes in 25-lb. cotton bags were reported on the Minneapolis market. The trade as a whole is not enthusiastic about the use of the small bag. Some dealers have refused to handle potatoes packed in this manner, while others report a rather limited demand. Some retailers like the idea and expect to use more next season. Some of the higher class retailers feel that the 15-lb. bag would be better adapted to their business than the 25-lb. bag.

ST. LOUIS, MO. Approximately 50 cars of Idaho potatoes in 25-lb. cotton bags were reported on the St. Louis market this season. The preference is for potatoes weighing 6 to 10 ounces. In the opinion of wholesalers and chain store operators there is a very bright future for the small bag as a package for potatoes, but they agree that only potatoes of "quality" should be packed in the small bags.

KANSAS CITY, MO. In this market there has been a few sales of Idaho potatoes in small bags. The 25-lb. bag was the size of cotton bag mostly used. The 6 to 12 ounce potatoes are preferable for this type of package in this market. The opinion of the trade is divided as to the advantages of the small bag as a package for potatoes. Chain stores are not using small packages to any extent and the general feeling among them is that the public wants cheap potatoes, and that shipments in large sacks or bulk are preferable because less expensive.

OMAHA, NEBR. There were some receipts of Idaho Russet potatoes in small bags. Both the 20-lb. and 25-lb. bag have been used. The 20-lb. size is slightly preferred. The preference in Omaha is for burlap instead of white cotton as a material for the 20-lb. and 25-lb. bags. The probable reason is that burlap does not show the dirt as much as white cotton does.

Far Western Region.

DENVER, COLO. Only a few Idaho potatoes in 25-lb. cotton bags were on the Denver market. There is practically no demand in Denver for the small bag.

SALT LAKE CITY, UTAH. A few shipments of very good quality, medium sized Idaho potatoes in branded 25-lb. white cotton bags were received in Salt Lake City. These potatoes received favorable comment, probably due to the fact that they were generally of better grade than those sold in bulk. Wholesalers and jobbers have not worked up much enthusiasm over the use of the small bag in this market. Chain stores have found that many of their customers prefer potatoes packaged in small bags because they feel that they are getting better potatoes than those bought in bulk.

PORTLAND, OREGON. A half car load of potatoes in 50-lb. cotton bags was reported on the Portland market this season. The trade received this type of package favorably.

LOS ANGELES, CALIF. Probably 40 or 50 cars of Idaho Russets in small cotton bags were received in Los Angeles. This is two or three times the quantity received last season in this type of package. The 25-lb. size was practically the only cotton bag used. The trade states that medium sized stock of U. S. No. 1 grade is the only kind of stock suitable for packing in small bags. The wholesale trade thinks that the demand for potatoes in small bags, though still limited, is growing. The chain stores in Los Angeles appear to be pushing the small bag idea more than the small independent stores. There was a considerable quantity repacked into small bags in Los Angeles.

SAN FRANCISCO, CALIF. Approximately 15 or 20 cars of potatoes packed in cotton bags were on the San Francisco market this season. Most of these were from Idaho although a few cars were from Washington and Oregon. Most

of the Idaho small bag shipments were the 25-lb. size bags. A few cars from Oregon were in 10-lb. and 15-lb. bags. Only medium sized potatoes should be used especially for the 10-lb. and 15-lb. sized bags in the opinion of San Francisco, dealers. The chain store operators think the small bag will be the prevailing type of package. Some wholesalers are not favorable toward this type of package.

South Atlantic and South Central Region.

BALTIMORE, MD. There were no cotton bags on this market. The trade is skeptical as to the success of such a package.

WASHINGTON, D. C. Five cars of Idaho Russet Burbanks were received packed in 25-lb. cotton bags and were handled by chain stores. The demand for this package was better in suburban stores and in districts where customers mostly use automobiles in marketing as compared with districts where customers usually walk to the stores and carry their purchases home. Unless exceptionally well graded potatoes are packed in the small bags, the opinion was expressed that there will be little if any greater demand for the potatoes in small bags than for the bulk stock.

NORFOLK, VA. No potatoes in small cotton bags were received.

ATLANTA, GA. One car load in small cotton bags was reported and the experiment was not entirely successful.

JACKSONVILLE, FLA. There were no small bag receipts.

LOUISVILLE, KY. Eleven cars of Idaho potatoes in small bags (25-lb. size) were reported for the season on the Louisville market. Eight of these were handled by the chain stores and three by the jobbing trade. In addition there was probably 40 to 45 cars of Idaho and Minnesota potatoes received in 25-lb. and 50-lb. burlap bags.

MEMPHIS, TENN. Only one car was received in 25-lb. cotton bags and was dumped into bins by chain store receivers. The trade does not look with favor on the use of small containers for potatoes.

NEW ORLEANS, LA. No small bag potato receipts were reported on this market.

FORT WORTH, TEXAS. Three cars of potatoes were received in Fort Worth in 10-lb., 25-lb. and 50-lb. cotton bags. The first two cars sold readily on account of the novelty of the package, but the last car moved slowly. There was less profit to the wholesaler on the cotton bag receipts as it was claimed that it required more sales effort to sell a certain quantity of potatoes in small bags than in large ones. It was felt that the method generally used by chain stores of putting up ten or fifteen pounds of potatoes in paper bags which can be easily examined by the customer has its advantage over the small closed bag.

HOUSTON, TEXAS. There were no receipts in small cotton bags. A few shipments came in 25-lb. or 50-lb. burlap bags which met with a slow sale.

SAN ANTONIO, TEXAS. There were no small bag receipts.

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